

761—923.5(71GA,ch265) Procedure.

923.5(1) *Federal funding request.* The public transit system shall submit an application for federal funding approval of the proposed project to either the air and transit division or to the Federal Transit Administration, as required by the type of funding requested.

923.5(2) *Loan request.* The public transit system shall normally submit a request for a revolving fund loan to the air and transit division when the annual grant application is made, but may submit a request at any time if a specific need arises. The request shall include, but not be limited to, the following topics and documents:

- a.* A description and cost estimate of the proposed project.
- b.* An explanation of the benefits, including projected energy conservation benefits, to be gained from the project.
- c.* An explanation and justification of need for the loan.
- d.* A proposed schedule of when funds will be needed for the project.
- e.* A proposed loan repayment plan with schedule and source of funds.

923.5(3) *Criteria for selection.* The air and transit division shall review each loan request and shall evaluate the projects for funding. Based on the following criteria (not listed in order of preference), preference shall be given to projects that:

- a.* Foster coordination among transit services, such as a ground transportation center, a joint maintenance facility, or cooperative vehicle usage.
- b.* Enhance local or regional economic development, such as a transit mall, passenger shelter facilities, or vehicles for extension of services.
- c.* Increase federal funding to the state, such as accelerating purchase of replacement vehicles.
- d.* Extend services to the transportation disadvantaged.
- e.* Promote energy conservation, such as fuel efficiency.
- f.* Require the loan as only a portion of the local matching funds required.

923.5(4) *Approval.* Based on available funds, the air and transit division shall approve loans for projects meeting the criteria in subrule 923.4(1) or shall submit recommended loan projects meeting the criteria in subrule 923.4(2) to the transportation commission for approval. Submission may be on an annual or an individual basis.

923.5(5) *Agreement.* Upon approval by the transportation commission, the air and transit division shall prepare a loan contract and send it to the public transit system for signing. The signed contract shall be returned to the air and transit division for signing by the department.

923.5(6) *Default.* If a public transit system fails to make a loan payment as agreed in the contract, the air and transit division may, at its option, deduct the amount of any loan payment past due from state transit assistance payments allocated to that transit system.